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SUBJECT: BARBADOS LABOR: A DEAL, A RIFT, AND A SURPRISE

11. (U) Summary: The week of December 10 proved to be an eventful one for Barbados' labor unions. On Tuesday, December 12, the National Union of Public Workers (NUPW) reached a new two-year wage agreement with the government that will give public employees a 10 percent salary increase for the period 2006 to 2008. That same agreement, while celebrated by workers for the double digit pay hike, was criticized by some as a pre-election gimmick by the government anxious to shore up its support with key voter groups. The agreement also caused a rift within Barbados' usually united labor movement because the NUPW broke ranks with the umbrella Congress of Trade Unions and Staff Associations of Barbados to reach its own deal with the government. The week closed with the surprise announcement of the resignation of Joseph Goddard as General Secretary of the NUPW, a position he has occupied for 20 years. End Summary.

CHRISTMAS COMES EARLY FOR BARBADIAN WORKERS

12. (U) With a headline "New Year Bonus!" the press reported the successful completion on December 12 of the months-long negotiations between the NUPW and the government. The agreement will give Barbados' 28,000 plus public servants a raise of 10 percent over the period of 2006 to 2008. The double digit pay raise was the highest in two decades and a surprise to most. The raise is also in addition to a 2-percent cost of living adjustment that public workers will receive as a result of the previous 2-year wage agreement. In the negotiations with the government, the NUPW successfully argued that the raise was more than justified in light of the country's rising cost of living. Barbados' inflation has been hovering around 7 percent during much of 2006, up from 6 percent in 2005.

13. (C) The NUPW's position in the negotiations was helped significantly by the country's current political climate. The rising public discontent over cost of living issues has forced Prime Minister Arthur's government on the defensive, and political calculations probably played a role in the government's agreement to the higher than expected pay boost. Although the next general election will likely take place in the second half of 2007, if not later, Prime Minister Arthur may have viewed the public sector wage negotiations as a good opportunity to demonstrate that his government was responsive to the concerns of the people of Barbados. Certainly that was the opinion of Orlando "Gabby" Scott, the Senior Assistant General Secretary of the Barbados Workers Union

(BWU), who described the NUPW deal in a meeting with PolOff as an early "Christmas present" in Barbados' pre-election season.

A RIFT IN BARBADOS' LABOR MOVEMENT

¶4. (C) While Barbados' public servants were probably pleased with the NUPW negotiating team, the country's umbrella labor organization, the Congress of Trade Unions and Staff Associations (CTUSAB) did not necessarily share the sentiment. According to Scott, the NUPW strayed from CTUSAB's negotiating strategy and reached a settlement that did not correspond to CTUSAB's initial goal of a graduated pay raise that would have given a higher raise in percentage terms to lower paid employees. Sir Roy Trotman, the General Secretary of the BWU and the President of CTUSAB, publicly

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criticized the NUPW deal and maintained that his organization will continue negotiating for a graduate pay raise despite the NUPW defection. However, he is facing an uphill battle because Barbados' public servants wage agreements are generally used as a guide for private sector wage increases and because it will be difficult for CTUSAB to argue that a 10-percent wage increase is not a good deal.

¶5. (C) A more important task on Sir Roy's agenda may be to patch his organization's differences with NUPW. What Scott described as "disharmony" is relatively unusual for Barbados labor.

COMRADE NO MORE

¶6. (C)

GILROY